

Define Business Area in SAP | Create Consolidation Business Area

How to Define Business Area in SAP

Business area in [SAP](#) is an organizational unit within accounting that can be classified as geographical wise or product wise as per the requirements of an organization.. Under business area, you generate financial statements of balance sheet and profit & loss account for internal reporting.

- The definition of business area in SAP is optional.
- You can maintain number of business areas in SAP as per company needs.
- To post items in business area, you need to enter business area when you enter the business transactions.
- Examples of business areas are product lines, branches, etc.

You can define business area in SAP through navigation method or transaction code.

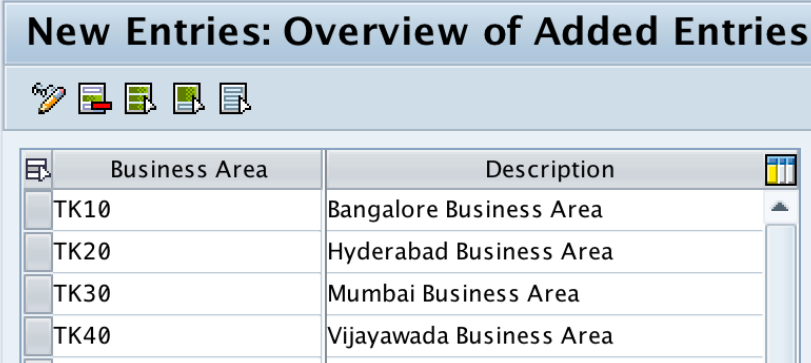
- Navigation: – [SPRO](#) – Enterprise Structure – Definition – [Financial Accounting](#) – Define business area
- Transaction code: – [OX03](#)

Step 1) Enter [transaction code](#) “[OX03](#)” in the SAP command field and enter to continue.

Step 2) On change view “Business areas”: Overview screen, Click on “New Entries” button to create new business areas as per the requirements of company.

Step 3) On new entries of business areas screen, update the following details.

- **Business Area:** – Give the four digits key that identifies that business area in SAP.
- **Description:** – Update the descriptive text of business area.



Business Area	Description
TK10	Bangalore Business Area
TK20	Hyderabad Business Area
TK30	Mumbai Business Area
TK40	Vijayawada Business Area

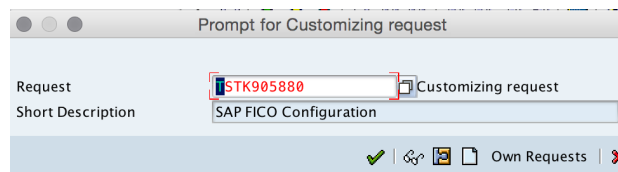
Scenario: We have defined four business areas as per geographical wise.

Business Area	Description
TK10	Bangalore Business Area
TK20	Hyderabad Business Area
TK30	Mumbai Business Area
TK40	Vijayawada Business Area

Step 4) After updating the details, click on save button to save the configured business areas data.



Now you are prompted for customizing request number, choose request and save the details.



Successfully we have created new business areas in SAP.

Maintain consolidation business area in SAP

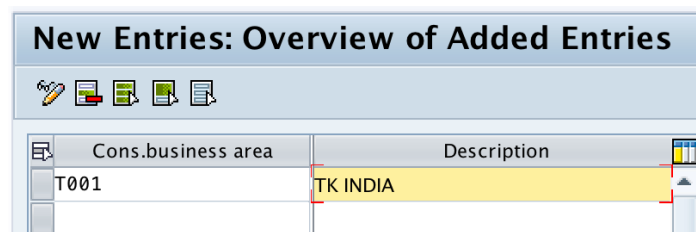
Consolidation business area specifies the central business segments within a company. If you maintain consolidated business area in SAP, it is mandatory to assign business areas to consolidated business areas.

- **Navigation:** – SPRO – Enterprise Structure – Definition – Financial Accounting – Maintain consolidation business area.

Click on “New Entries” button.



Enter consolidation business area key and its description.



Click on save button and save the details.

‡ SAP Financial Accounting

‡ What is SAP FICO

‡ What is client in SAP

SAP FICO - Enterprise Structure

‡ Define Company in SAP

‡ Define Company Code in SAP

‡ Assign company code to company in SAP

‡ Define business area and consolidation business area in SAP

‡ Assign business area to consolidated business area in SAP

‡ Define credit control area in SAP

‡ Assign company code to credit control area in SAP

‡ Define functional area in SAP

‡ Maintain Financial Management Area in SAP

‡ Assign financial management area to company code in SAP

‡ How to create segments in SAP

SAP FICO - Global Parameters

‡ What is Chart of accounts and how to create COA in SAP?

‡ Assign company code to chart of accounts

‡ What is Fiscal year in SAP?

‡ How to maintain fiscal year variant

‡ Assign company code to fiscal year variant

‡ Define account group in SAP

‡ Define retained earnings account

‡ Define posting period variant (PPV)

‡ Assign variants to company code in SAP

‡ Open and closing posting period variants

‡ Define field status variant and field status groups in FICO

‡ Assign company code to field status variant

‡ Define Tolerance group for G/L accounts

‡ Define Tolerance group for employees

‡ Check company code global parameters

SAP FICO - Foreign Currency Transactions

‡ Check exchange rate types

‣ Define translation ratios for currency translation

‣ How to maintain exchange rates in SAP

‣ Define accounts for exchange rate differences

‣ Define foreign currency valuation methods

‣ Define accounting principles and assign to ledger group

‣ Define valuation areas and assign to accounting principles

SAP FICO - New G/L Accounting

‣ How to activate new G/L accounting?

‣ Define ledgers for general ledger accounting

‣ Define currencies for leading currency

‣ Define & Activate Non-Leading Ledgers

‣ Define Zero-balance clearing account

‣ Define interest calculation types

‣ Define interest indicator

SAP FICO - Accounts Receivable

‣ Define account group for customers

‣ Maintain number ranges for customer account groups

‣ Assign number ranges to customer account groups

‣ Define risk categories

‣ Define tolerance group for Customers

‣ Create sundry debtors accounts

‣ Define Customer Master Record

SAP FICO - Accounts Payable

‣ What is Accounts Payable in SAP?

‣ Define vendor account groups

‣ Maintain number range intervals for vendor accounts

‣ Assign number ranges to vendor account groups

‣ Create payment terms

‣ Define accounts for cash discount taken

‣ Define Vendor reconciliation account

‣ Create vendor code

SAP FICO - Tax on Sales and Purchases

‣ What is Sales tax and Purchase tax in SAP?

‣ Define tax calculation procedures

‡ Assign country to calculation procedure

‡ Assign tax codes for non taxable transactions

‡ Maintain tax codes for sales and purchases

‡ Define tax accounts in SAP

SAP FICO - Bank Accounting

‡ What is Bank Accounting in SAP?

‡ Define bank key

‡ Define house bank in SAP

‡ Create check lots

‡ Automatic payment program

SAP FICO - Asset Accounting

‡ What is Asset Accounting in SAP?

‡ Define Chart of Depreciation

‡ Assign chart of depreciation to company code

‡ Specify Account Determination

‡ Number range intervals for Assets

‡ Maintain Asset Classes

‡ Define tax accounts in SAP

SAP Controlling Training

‡ SAP CO Tutorials

SAP TCodes

‡ SAP TCodes

‡ SAP FI TCodes